

(iii) Property taxes;  
 (iv) Operating or maintenance costs;  
 (v) No fee, cost, charge, or expense determined to be part of the finance charge under the Truth in Lending Act, title I, Pub. L. 90-321, as amended, and Regulation Z issued by the Board of Governors of the Federal Reserve System (12 CFR part 226), unless specifically authorized in paragraph (d)(1) of this section; and

(vi) Expenses that result from construction of a residence.

(e) *Losses due to prices or market conditions at the old and new posts of duty.* Losses are not reimbursable when they are incurred by an employee:

(1) Due to failure to sell a residence at the old official station at the price asked, or at its current appraised value, or at its original cost;

(2) Due to failure to buy a dwelling at the new official station at a price comparable to the selling price of the residence at the old official station; or

(3) Any similar losses.

(f) *Other expenses of sale and purchase of residences.* Incidental charges made for required services in selling and purchasing residences may be reimbursable if they are customarily paid by the seller of a residence at the old official station or if customarily paid by the purchaser of a residence at the new official station, to the extent they do not exceed amounts customarily charged in the locality of the residence.

(g) *Overall limitations—(1) Sale of the residence at the old official station.* The total amount of expenses that an agency may reimburse in connection with the sale of the residence at the old official station shall not exceed 10 percent of the actual sales price of the residence.

(2) *Purchase of a residence at the new official station.* The total amount of expenses that an agency may reimburse in connection with the purchase of a residence at the new official station shall not exceed 5 percent of the actual purchase price of the residence.

(h) *Settlement of an unexpired lease.* Expenses incurred for settling an unexpired lease (including month-to-month rental) for residence quarters occupied by the employee at the old official station may include broker's fees for ob-

taining a sublease or charges for advertising an unexpired lease. Such expenses are reimbursable when (1) applicable laws or the terms of the lease provide for payment of settlement expenses, (2) such expenses cannot be avoided by sublease or other arrangement, (3) the employee has not contributed to the expense by failing to give appropriate lease termination notice promptly after he/she has definite knowledge of the transfer, and (4) the broker's fees or advertising charges are not in excess of those customarily charged for comparable services in that locality. Itemization of these expenses is required and the total amount shall be entered on an appropriate travel voucher. This voucher may be submitted separately or with a claim that is to be made for expenses incident to the purchase of a dwelling. Each item must be supported by documentation showing that the expense was in fact incurred and paid by the employee.

[54 FR 20321, May 10, 1989, as amended by FTR Amdt. 21, 56 FR 51177, Oct. 10, 1991; FTR Amdt. 27, 57 FR 45001, Sept. 30, 1992; FTR Amdt. 31, 58 FR 53137, Oct. 14, 1993; FTR Amdt. 40, 59 FR 46357, Sept. 8, 1994; FTR Amdt. 44, 60 FR 49348, Sept. 25, 1995; FTR Amdt. 59, 62 FR 13756, Mar. 21, 1997; 62 FR 26375, May 13, 1997]

### **§302-6.3 Procedural and control requirements.**

(a) *Application for reimbursement and documentation of expenses.* Employees shall be furnished appropriate forms for claiming reimbursement for expenses of real estate transactions. Agencies shall prescribe a claim application form which meets internal administrative requirements. The form should include the most commonly incurred items of expense for which reimbursement may be claimed and any necessary administrative approval blocks. Amounts claimed must be supported by documentation showing that the expense was in fact incurred and paid by the employee. Included in the required supporting documents (as appropriate) are copies of (1) the sales agreement, (2) the purchase agreement, (3) property settlement documents, (4) loan closing statements, and (5) invoices or receipts for other bills paid. An appropriate voucher shall be prepared by the employee and used in

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transmitting the claim application with supporting attachments. Reimbursement may be in two parts; i.e., a payment for expenses incurred in the sale of the former residence and a payment for expenses incurred in the purchase of a new dwelling.

(b) *Review and administrative approval of sale and purchase expenses.* Applications shall be reviewed by a responsible official of the agency. The application for reimbursement of expenses for the sale of a residence shall be sent to the claimant's old official station for review and approval of the claim unless agency review and approval functions are performed elsewhere. In case of transfer between agencies, review and approval of the application shall be made, if appropriate, at an installation of the hiring agency in the locality of the employee's old official station, but if the hiring agency has no appropriate installation, it shall be sent to the losing agency at the old official station for review and approval. This review and approval are intended to be limited to determining whether the expenses claimed are reasonable in amount and customarily paid by the seller in the locality where the property is located. If items of cost appear to have been inflated or are higher than normally imposed for similar services in the locality, any portion of such costs determined to be excessive shall be disallowed. When approved, the application shall be returned with such memorandum of explanation as may be appropriate. A similar review and approval are required in connection with an application for reimbursement of the expenses of the purchase of a new dwelling. Final administrative approval of payment of the claim must be executed by an appropriate approving official. Such official may accept as conclusive the required prior approvals covering reasonableness and custom; he/she shall, however, in accordance with the provisions of this part, independently determine whether (1) the aggregate amount of expenses claimed in connection with a sale or purchase of a residence is within the prescribed limitation for either, (2) all conditions and requirements under which allowances may be paid have been met, and (3) the expenses themselves are those

which are reimbursable. The employee's claim accompanied by the application and supporting documents shall be completed and submitted in accordance with the usual procedures of the agency concerned.

(c) *Assistance provided by local offices of the Department of Housing and Urban Development.* Technical assistance in determining the reasonableness of an expense may be obtained from the local or area office of the Department of Housing and Urban Development (HUD) serving the area in which the expense occurred. The local office maintains and can furnish upon request a current Form HUD-92496, Schedule of Closing Costs, applicable to the area. This is a schedule of closing costs typically encountered in connection with the purchase and sale of single family properties in the locality. For the purpose of determining whether the expenses claimed are reasonable and may be approved for reimbursement, these closing costs should be used as guidelines and not as rigid limitations. The local office will also furnish upon request information concerning local custom and practices with respect to charging of closing costs related to either a sale or purchase, including information as to whether such costs are customarily paid by the seller or purchaser and the local terminology used to describe them. Area or insuring offices of HUD are located in all major cities. The mailing addresses for these offices are included in the U.S. Government Manual, published annually by the Office of the Federal Register, National Archives and Records Administration. A directory containing the addresses of all such offices (HUD Form 788) is available at any HUD office.

(d) *Violation of employment agreement.* In the event the employee violates the terms of the agreement required under §302-1.5, no expenses will be paid, and any amounts paid prior to such violation shall be a debt due the United States until they are paid by the employee.

[54 FR 20321, May 10, 1989, as amended by FTR Amdt. 26, 57 FR 28635, June 26, 1992]

### §302-6.4 Exclusions.

The provisions of this part do not apply to new appointees, or employees